FitchRatings

Corporates

Global Power
U.S. and Canada
Full Rating Report

NSTAR

Ratings

Security Class	Current Rating
Issuer Default Rating (IDR)	A–
Senior Unsecured Debt	A
Short-Term IDR/Comm. Paper	F1

Rating Outlook

Stable

Financial Data

NSTAR

($ Mil.)	LTM 6/30/10	12/31/09
Revenues	2,671	2,876
Gross Margin	1,318	1,317
Cash from Operations	347	484
Operating EBITDA	699	711
Total Debt	2,577	2,732
Total Capitalization	4,502	4,637
Capex/Depreciation (%)	150.9	173.6

Analysts

Robert Hornick
+1 212 908-0523
robert.hornick@fitchratings.com

Lindsay Minneman
+1 212 908-0592
lindsay.minneman@fitchratings.com

Related Research

Applicable Criteria

- *Corporate Rating Methodology, Aug. 16, 2010*
- *Utilities Sector Notching and Recovery Ratings, March 16, 2010*
- *U.S. Power and Gas Comparative Operating Risk (COR) Evaluation and Financial Guidelines, Aug. 22, 2007*
- *Credit Rating Guidelines for Regulated Utility Companies, July 31, 2007*
- *Parent and Subsidiary Rating Linkage (Fitch's Approach to Rating Entities within the Corporate Group Structure), June 17, 2007*

Other Research

- *NSTAR Electric Co. and NSTAR Gas, Oct. 15, 2010*

Rating Rationale

- Fitch affirmed the ratings of NSTAR (NSTAR) on Sept. 15, 2010. The Rating Outlook is Stable.
- NSTAR's ratings are supported by the cash flow and earnings power of its two low-risk regulated electric and gas transmission and distribution (T&D) utilities, NSTAR Electric Co. (NSTAR Electric, issuer default rating [IDR] 'A+', Stable Rating Outlook) and NSTAR Gas Co. (NSTAR Gas, IDR 'A–', Stable Rating Outlook); sufficient liquidity position; and a moderate level of parent debt. The utilities, which account for more than 99% of consolidated operating revenues, benefit from solid standalone credit profiles that support their existing ratings, a lack of commodity price exposure, and a generally constructive regulatory environment in Massachusetts. NSTAR Electric operates under a rate agreement that is in effect through 2012 and allows the utility to recover all fuel costs, all stranded costs, and employee pension and other post-retirement benefits.
- NSTAR's customer base is primarily residential and commercial, which provides for a relatively stable and consistent revenue stream. In addition, the company's local economy has held up fairly well during the economic recession. NSTAR's service territory boasts slightly better unemployment data, at about 7.4% as of August 2010, compared with the national average of 9.6%. Additionally, building permits for single-family homes are up significantly in Massachusetts compared with last year, with larger increases in Boston and Worcester.
- Recent earnings have been in line with Fitch's expectations, and consolidated credit protection measures are commensurate with the 'A–' rating category. NSTAR's ratios of EBITDA to interest and cash from operations to interest coverage were 5.1x and 3.5x, respectively, for the 12-month period ended June 30, 2010. Debt leverage, as measured by the ratio of debt to EBITDA, was moderate at 3.7x for the same period. Fitch projects that credit metrics will remain at or near current levels through the next several years.

Key Ratings Drivers

- Ownership of two regulated electric and gas T&D companies.
- Generally constructive regulatory environment in Massachusetts.
- Current rate agreement provides rate stability through 2012.
- Relatively healthy service territory.

Recent Developments

Settlement with IRS Office of Appeals

On Sept. 30, 2010, NSTAR determined it would accept a settlement offer from the IRS Office of Appeals on issues related to its 2001–2007 federal income tax returns. The IRS will refund NSTAR for cash payments totaling $129 million for the period 2002–2004, during which time NSTAR Electric changed its tax accounting method on the deductibility of certain construction-related costs. NSTAR Electric was required to make the cash payments and never received a tax refund related to the deductions (the

"SSCM issue"). The refund has been held by the IRS until NSTAR closed its tax years for this period.

Additionally, the IRS and NSTAR settled an outstanding issue related to the treatment of the abandonment by NSTAR of RCN Corp. (RCN) shares, whereby NSTAR deducted its abandonment of 11.6 million RCN shares in 2003 as an ordinary loss, and the IRS questioned that the abandonment be considered a capital loss. This issue with the IRS remained open when in 2007 NSTAR adopted FASB Interpretation No. 48 ("FIN 48"), which required it to recognize the tax benefit as retained earnings in consideration that its likelihood of success was "more likely than not." With the current settlement of the issue, NSTAR is required to recognize a one-time after-tax charge of approximately $21 million, or $0.20 per share, including interest, in its third-quarter 2010. This represents a net positive recovery for NSTAR.

The resolution of these two separate issues with the IRS is a positive development for NSTAR, which can close out its 2001–2007 tax years, and will receive a net refund from the IRS of approximately $133 million. The net refund includes $129 million plus interest due on the SSCM issue and other minor items ($154 million), reduced by the settlement of the RCN share abandonment issue ($21 million). Net refund proceeds are expected by fiscal year-end 2010 and will be used to pay down short-term debt.

MATEP Sale

On June 1, 2010, NSTAR completed the sale of its stock ownership interest in its district energy operations business, Medical Area Total Energy Plant (MATEP), for $343.7 million to a joint venture comprised of Veolia Energy North America, a subsidiary of Veolia Environment and Morgan Stanley Infrastructure Partners. The sale resulted in an after-tax gain of $109.4 million. Net proceeds were used to pay down MATEP's $85.5 million of existing debt and to repurchase NSTAR common shares. The remaining unregulated operations represent less than 1% of total revenues and have very limited capital expenditure and liquidity requirements, thereby minimally affecting overall credit quality.

Liquidity and Debt Structure

NSTAR has sufficient liquidity with a $175 million revolving credit agreement that expires on Dec. 31, 2012, which serves as backup for the company's $175 million CP program. There were no borrowings outstanding under the credit facility as of June 30, 2010, but the company had $47.5 million of CP outstanding. NSTAR Electric and NSTAR Gas have separate credit facilities of $450 million and $100 million, respectively. Consolidated debt maturities over the next five years are considered manageable and are as follows: none remaining in 2010, $2 million in 2011, $402 million in 2012, $2 million in 2013, and $317 million in 2014. Maturing debt is expected to be funded through a combination of internally generated cash and external debt refinancings.

Consolidated capital expenditures from 2011 through 2012 are forecasted to average approximately $325 million per year, considerably lower than historical levels following the completion of three transmission lines, under construction between 2006 and 2008. Primary drivers of future capital spending include NSTAR Electric's participation in the lower Southeastern Massachusetts projects, which include an expansion

Debt Structure
(As of June 30, 2010)

	Amount ($ Mil.)	(%)
Short-Term Debt	391	8.7
Long-Term Debt	2,186	48.6
Total Debt	2,577	57.2
Preferred Stock	32	0.7
Common Equity	1,893	42.0
Total Capitalization	4,502	—

Source: Company reports.

and upgrade of existing lines; equipment and substations; and construction of a new 22-mile, 345-kV line that will cross the Cape Cod Canal. The expected cost of the project is between $110 million and $120 million, with an in-service date of 2012. Additionally, NSTAR Electric is planning to implement an upgrade to its Tremont/Waltham station in 2012–2013, at a cost of approximately $40 million–$60 million.

NSTAR's consolidated capital expenditures could increase significantly depending on how the proposed Northern Pass transmission line with Hydro-Québec (HQ) unfolds. NSTAR, together with Northeast Utilities (NU), filed and received approval on a joint petition with the Federal Energy Regulatory Commission (FERC) that would allow them to enter into a bilateral transmission services agreement (TSA) with subsidiaries of HQ. Under this agreement, NSTAR and NU would sell 1,200 MW of firm transmission service over the new, participant-funded transmission tie line connecting New England with the HQ system in order for HQ to sell and deliver the same amount of power in New England for a term of 40 years. On Oct. 4, 2010, Northern Pass Transmission LLC (NPT) and HQ Hydro Renewable Energy, Inc., an indirect wholly owned subsidiary of HQ, entered into a TSA in connection with the Northern Pass line. NPT is a joint venture indirectly owned by NU and NSTAR, on a 75% and 25% basis, respectively.

The TSA must be approved by the FERC, and NSTAR anticipates filing it during the fourth quarter of 2010. Assuming timely approvals, NSTAR estimates that construction will begin in late 2012 or early 2013, with a targeted completion date of 2015. NSTAR's portion of the construction funding is anticipated to be approximately $280 million. NSTAR and NU will finance and own this transmission line, while HQ will reimburse the companies for the total costs of this project, including an investment return to NSTAR and NU.

Financial Summary — NSTAR

($ Mil., Fiscal Year-End December)

	LTM Ended June 2010	2009	2008	2007	2006
Fundamental Ratios					
FFO/Interest Expense (x)	3.3	4.2	5.4	3.5	3.6
CFO/Interest Expense (x)	3.5	4.5	4.1	3.5	3.9
FFO/Debt (%)	12.5	15.9	21.1	13.9	16.4
Operating EBIT/Interest Expense (x)	3.5	3.6	4.0	3.5	2.7
Operating EBITDA/Interest Expense (x)	5.1	5.2	5.8	5.1	4.6
Debt/Operating EBITDA (x)	3.7	3.8	3.6	3.5	3.4
Common Dividend Payout (%)	45.1	63.2	63.0	62.6	62.3
Internal Cash/Cap. Ex. (%)	55.4	85.9	57.1	55.6	94.8
Cap. Ex./Depreciation (%)	150.9	173.6	186.7	165.1	117.7
Profitability					
Adjusted Revenues	2,671	2,876	3,164	3,073	3,578
Net Revenues	1,318	1,317	1,362	1,306	1,456
Operating and Maintenance Expense	413	410	459	447	431
Operating EBITDA	699	711	730	694	856
Operating EBIT	485	495	504	476	494
Gross Interest Expense	138	138	126	135	185
Net Income for Common	366	253	238	222	207
Oper. Maint. Exp. % of Net Revenues	31.3	31.1	33.7	34.2	29.6
Operating EBIT % of Net Revenues	36.8	37.6	37.0	36.4	33.9
Cash Flow					
Cash Flow from Operations	347	484	392	341	535
Change in Working Capital	26	49	(159)	3	60
Funds from Operations	321	435	551	338	475
Dividends	(168)	(162)	(151)	(141)	(131)
Capital Expenditures	(323)	(375)	(422)	(360)	(426)
Free Cash Flow	(144)	(53)	(181)	(160)	(22)
Net Other Investment Cash Flow	333	(7)	2	2	1
Net Change in Debt	(84)	54	19	29	29
Net Equity Proceeds	(126)	—	—	—	—
Capital Structure					
Short-Term Debt	391	341	583	403	436
Long-Term Debt	2,186	2,391	2,029	2,033	2,456
Total Debt	2,577	2,732	2,612	2,436	2,892
Total Hybrid Equity & Minority Interest	32	32	32	32	32
Common Equity	1,893	1,873	1,788	1,704	1,583
Total Capital	4,502	4,637	4,432	4,172	4,507
Total Debt/Total Capital (%)	57.2	58.9	58.9	58.4	64.2
Total Hybrid Equity & Minority Interest/Total Capital (%)	0.7	0.7	0.7	0.8	0.7
Common Equity/Total Capital (%)	42.0	40.4	40.3	40.8	35.1

Note: Numbers are adjusted to exclude interest, principal payments and amortization on utility tariff bonds. Note: Numbers may not add due to rounding.LTM - Latest 12 months. Operating EBIT - Operating income before total reported state and federal income tax expense. Operating EBITDA - Operating income before total reported state and federal income tax expense plus depreciation and amortization expense.
Source: Company Reports/Fitch Ratings.

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: HTTP://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS. IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT WWW.FITCHRATINGS.COM. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE.

Copyright © 2010 by Fitch, Inc., Fitch Ratings Ltd. and its subsidiaries. One State Street Plaza, NY, NY 10004.Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings, Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion is based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at anytime for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US$1,000 to US$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US$10,000 to US$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of Great Britain, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.

FitchRatings

Corporates

Global Power
U.S. and Canada
Update

NSTAR Electric Co. and NSTAR Gas Co.

Subsidiaries of NSTAR

Ratings

Security Class	Current Rating
NSTAR Electric	
Issuer Default Rating (IDR)	A+
Senior Unsecured Debt	AA–
Preferred Stock	A
Short-Term IDR/Comm. Paper	F1+
NSTAR Gas	
IDR	A–
Sr. Unsecured Debt	A

Rating Outlook

Stable

Financial Data

NSTAR Electric Co.

($ Mil.)	LTM 6/30/10	12/31/09
Revenues	2,294	2,304
Gross Margin	1,152	1,131
Funds from Operations	331	314
Operating EBITDA	637	628
Total Debt	1,971	1,913
Total Capitalization	4,069	3,977
Capex/Depreciation (%)	145.7	155.3

Analysts

Robert Hornick
+1 212 908-0523
robert.hornick@fitchratings.com

Lindsay Minneman
+1 212 908-0592
lindsay.minneman@fitchratings.com

Related Research

Applicable Criteria

- *Corporate Rating Methodology, Aug. 16, 2010*
- *Utilities Sector Notching and Recovery Ratings, March 16, 2010*
- *U.S. Power and Gas Comparative Operating Risk (COR) Evaluation and Financial Guidelines, Aug. 22, 2007*
- *Credit Rating Guidelines for Regulated Utility Companies, July 31, 2007*
- *Parent and Subsidiary Rating Linkage (Fitch's Approach to Rating Entities within the Corporate Group Structure), June 17, 2007*

Rating Rationale

- Fitch affirmed the ratings of NSTAR Electric Co. (NSTAR Electric) and NSTAR Gas Co. (NSTAR Gas) on Sept. 15, 2010. The Rating Outlook for the companies remains Stable.
- The ratings for the companies take into consideration their low-risk operations as regulated electric and gas transmission and distribution (T&D) utilities, above-average financial ratios, lack of commodity price exposure, and a generally constructive regulatory environment in Massachusetts.
- NSTAR Electric currently operates under a performance-based rate plan that extends to year-end 2012, which provides for annual rate increases based on inflation minus a productivity offset. The plan also includes an earnings band between 8.5% and 12.5% return on equity, outside which earnings shortfalls/excesses will be shared equally with customers. NSTAR Gas' tariffs include a distribution charge; a seasonal cost of gas adjustment clause, which is reset every six months; and a local distribution adjustment clause to recoup demand side management costs, environmental costs, and costs associated with customer assistance programs (reset annually).
- NSTAR Electric and NSTAR Gas are also able to recover the energy portion of bad debt, as well as pension and post-retirement benefits other than pension costs. In 2008, the Massachusetts Department of Public Utilities (MDPU) ordered utilities to pursue full decoupling in their next base rate filing, which will be no later than 2012.

Key Ratings Drivers

- Low-risk regulated T&D utility operations.
- Relatively constructive regulatory environment in Massachusetts.
- Solid liquidity position.

Liquidity and Debt Structure

NSTAR Electric and NSTAR Gas have access to short-term liquidity through two separate credit facilities. NSTAR Electric has a $450 million credit agreement that expires on Dec. 31, 2012. However, unless the company receives necessary approvals from the MDPU, the credit agreement will expire 364 days from the date of the first draw under the agreement. The credit facility serves to support the company's $450 million CP program, which had $343 million outstanding as of June 30, 2010. There are no borrowings outstanding under the credit revolver. NSTAR Gas has a $100 million revolving credit facility that expires on Dec. 10, 2010. The company anticipates that this facility will be renewed. No borrowings are currently outstanding. Access to additional liquidity is available, if necessary, through borrowings from parent NSTAR's (issuer default rating 'A–', Stable Rating Outlook) $175 million revolving credit agreement.

NSTAR Electric's debt maturities over the next five years are considered manageable with $400 million due in 2012 and $315 million due in 2014. Maturing debt is expected to be funded through a combination of internal cash flows and external debt refinancings. NSTAR Gas' next debt maturity is in 2017, when $25 million of secured bonds comes due.

Financial Summary — NSTAR Electric Company

($ Mil., Years Ended December)

	LTM Ended June 2010	2009	2008	2007	2006
Fundamental Ratios					
FFO/Interest Expense (x)	4.2	5.3	7.6	4.4	4.5
CFO/Interest Expense (x)	3.9	5.3	5.8	5.1	4.0
FFO/Debt (%)	16.8	20.5	25.9	14.2	19.3
Operating EBIT/Interest Expense (x)	4.4	5.2	6.4	6.0	3.5
Operating EBITDA/Interest Expense (x)	6.2	7.3	9.1	8.6	5.9
Operating EBITDAR/ (Interest Expense + Rent) (x)	6.2	7.3	9.1	8.6	5.9
Debt/Operating EBITDA (x)	3.1	2.9	2.8	2.8	3.0
Common Dividend Payout (%)	83.2	59.3	25.4	(90.3)	59.7
Internal Cash/Cap. Ex. (%)	33.9	71.2	71.0	25.0	63.8
Cap. Ex./Depreciation (%)	145.7	172.4	197.8	179.8	127.0
Profitability					
Adjusted Revenues	2,294	2,388	2,469	2,385	2,225
Net Revenues	1,152	1,122	1,110	1,062	903
Operating and Maintenance Expense	331	319	347	334	229
Operating EBITDA	637	628	611	583	553
Depreciation and Amortization Exp.	188	185	185	178	226
Operating EBIT	449	443	426	405	327
Gross Interest Expense	103	86	67	68	93
Net Income for Common	244	241	224	217	154
Oper. Maint. Exp. % of Net Revenues	28.7	28.4	31.3	31.5	25.4
Operating EBIT % of Net Revenues	39.0	39.5	38.4	38.1	36.2
Cash Flow					
Cash Flow from Operations	296	370	319	278	277
Change in Working Capital	(35)	1	(124)	49	(45)
Funds from Operations	331	369	443	229	322
Dividends	(203)	(143)	(59)	(198)	(94)
Capital Expenditures	(274)	(319)	(366)	(320)	(287)
Free Cash Flow	(181)	(92)	(106)	(240)	(104)
Net Other Investment Cash Flow	5	1	1	1	3
Net Change in Debt	56	(70)	(57)	92	98
Net Equity Proceeds	—	—	—	—	—
Capital Structure					
Short-Term Debt	397	399	447	350	262
Long-Term Debt	1,574	1,401	1,263	1,264	1,403
Total Debt	1,971	1,800	1,710	1,614	1,665
Total Hybrid Equity & Minority Interest	32	32	32	32	—
Common Equity	2,066	2,093	1,995	1,830	1,262
Total Capital	4,069	3,925	3,737	3,476	2,927
Total Debt/Total Capital (%)	48.4	45.9	45.8	46.4	56.9
Total Hybrid Equity & Minority Interest/Total Capital (%)	0.8	0.8	0.9	0.9	—
Common Equity/Total Capital (%)	50.8	53.3	53.4	52.6	43.1

Note: Numbers are adjusted to exclude interest, principal payments and amortization on utility tariff bonds. LTM – Latest 12 months. Operating EBIT – Operating income before total reported state and federal income tax expense. Operating EBITDA – Operating income before total reported state and federal income tax expense plus depreciation and amortization expense. Note: Numbers may not add due to rounding.
Source: Company reports/Fitch Ratings.

ALL FITCH CREDIT RATINGS ARE SUBJECT TO CERTAIN LIMITATIONS AND DISCLAIMERS. PLEASE READ THESE LIMITATIONS AND DISCLAIMERS BY FOLLOWING THIS LINK: HTTP://FITCHRATINGS.COM/UNDERSTANDINGCREDITRATINGS. IN ADDITION, RATING DEFINITIONS AND THE TERMS OF USE OF SUCH RATINGS ARE AVAILABLE ON THE AGENCY'S PUBLIC WEB SITE AT WWW.FITCHRATINGS.COM. PUBLISHED RATINGS, CRITERIA, AND METHODOLOGIES ARE AVAILABLE FROM THIS SITE AT ALL TIMES. FITCH'S CODE OF CONDUCT, CONFIDENTIALITY, CONFLICTS OF INTEREST, AFFILIATE FIREWALL, COMPLIANCE, AND OTHER RELEVANT POLICIES AND PROCEDURES ARE ALSO AVAILABLE FROM THE CODE OF CONDUCT SECTION OF THIS SITE.

Copyright © 2010 by Fitch, Inc., Fitch Ratings Ltd. and its subsidiaries. One State Street Plaza, NY, NY 10004.Telephone: 1-800-753-4824, (212) 908-0500. Fax: (212) 480-4435. Reproduction or retransmission in whole or in part is prohibited except by permission. All rights reserved. In issuing and maintaining its ratings, Fitch relies on factual information it receives from issuers and underwriters and from other sources Fitch believes to be credible. Fitch conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security or in a given jurisdiction. The manner of Fitch's factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in the jurisdiction in which the rated security is offered and sold and/or the issuer is located, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors. Users of Fitch's ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information Fitch relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to Fitch and to the market in offering documents and other reports. In issuing its ratings Fitch must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

The information in this report is provided "as is" without any representation or warranty of any kind. A Fitch rating is an opinion as to the creditworthiness of a security. This opinion is based on established criteria and methodologies that Fitch is continuously evaluating and updating. Therefore, ratings are the collective work product of Fitch and no individual, or group of individuals, is solely responsible for a rating. The rating does not address the risk of loss due to risks other than credit risk, unless such risk is specifically mentioned. Fitch is not engaged in the offer or sale of any security. All Fitch reports have shared authorship. Individuals identified in a Fitch report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only. A report providing a Fitch rating is neither a prospectus nor a substitute for the information assembled, verified and presented to investors by the issuer and its agents in connection with the sale of the securities. Ratings may be changed or withdrawn at anytime for any reason in the sole discretion of Fitch. Fitch does not provide investment advice of any sort. Ratings are not a recommendation to buy, sell, or hold any security. Ratings do not comment on the adequacy of market price, the suitability of any security for a particular investor, or the tax-exempt nature or taxability of payments made in respect to any security. Fitch receives fees from issuers, insurers, guarantors, other obligors, and underwriters for rating securities. Such fees generally vary from US$1,000 to US$750,000 (or the applicable currency equivalent) per issue. In certain cases, Fitch will rate all or a number of issues issued by a particular issuer, or insured or guaranteed by a particular insurer or guarantor, for a single annual fee. Such fees are expected to vary from US$10,000 to US$1,500,000 (or the applicable currency equivalent). The assignment, publication, or dissemination of a rating by Fitch shall not constitute a consent by Fitch to use its name as an expert in connection with any registration statement filed under the United States securities laws, the Financial Services and Markets Act of 2000 of Great Britain, or the securities laws of any particular jurisdiction. Due to the relative efficiency of electronic publishing and distribution, Fitch research may be available to electronic subscribers up to three days earlier than to print subscribers.